

INTRODUCTION

About Treasury

Treasury's responsibilities and activities are broad in scope and touch the lives of nearly all Americans. The Department's role in promoting a stable economy, managing the Government's finances, and fighting crime are crucial in supporting a strong and robust America. Among its functions,

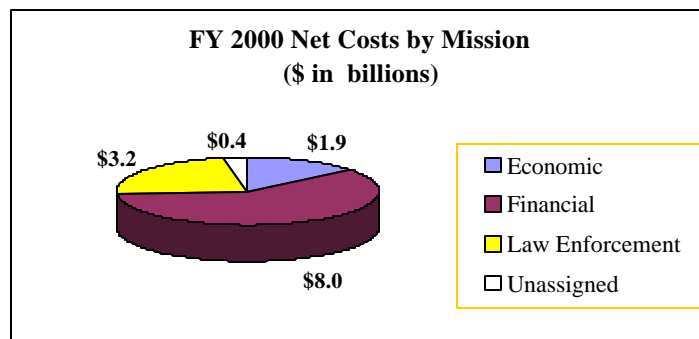
- Treasury's *domestic economic* responsibilities include developing policies and guidance affecting fiscal matters, financial institutions, financial regulation, and capital markets.
- Treasury's *international economic* responsibilities include developing policy and guidance in the areas of international monetary affairs, international debt strategy, and U.S. participation in international financial institutions.
- Treasury's *financial* responsibilities include collecting money due the United States, making its payments, managing its borrowings, performing central accounting functions, collecting delinquent debt, and producing coin and currency.
- Treasury's *law enforcement* responsibilities include protecting our borders by preventing drug smuggling and related money laundering, fighting violent crime, and protecting our Nation's leaders.

Facts and Figures

Treasury's FY 2000 appropriation was nearly \$12.5 billion, with almost 144,000 employees located throughout all 50 states, the District of Columbia, and many overseas sites. Treasury has 14 bureaus, varying in size, with the Internal Revenue Service having 68% of all Treasury employees, the U.S. Customs Service having 14%, and the remaining 18% spread over the other bureaus and headquarters offices.

Measuring *costs* (the value of resources used to achieve an objective) is an integral part of measuring performance. When cost information is linked to measures of effectiveness in achieving a desired outcome or stated objective, readers can assess the "cost-effectiveness" of a program. *Net cost* refers to a program's total costs (including supporting services) minus the revenues the program earns.

The combined total net cost of Treasury's business in FY 2000 was \$13.5 billion as reported on the financial *Statement of Net Cost* in the FY 2000 Accountability Report. This Statement and supporting information display the full costs of programs carried out by the Treasury Department to meet the three strategic missions described in the Treasury Strategic Plan: Economic, Financial, and Law Enforcement. The Report also displays costs by bureau, office or organization within the three mission areas.



Although bureaus allocated most of their management and general administrative costs to programs within the three mission areas, approximately \$400 million in net costs which could not be reasonably allocated to a program area are shown as *Unassigned*. These unassigned costs are principally for the Treasury Inspector General, Treasury Inspector General for Tax Administration, and the Departmental Offices' Working Capital Fund.

Purpose and Structure of Performance Report

The Government Performance and Results Act (Results Act) establishes formal requirements for strategic planning and performance measurement in the Federal Government. The Results Act requires that agencies develop five-year Strategic Plans, and annual Performance Plans and Performance Reports. Treasury recently updated its Strategic Plan in September 2000 and has been submitting annual performance plans as part of its annual budget since FY 1997. This document represents Treasury's second stand-alone performance report, and is a supplement to Treasury's FY 2000 Accountability Report, required under the Chief Financial Officers Act of 1990.

This Performance Report presents Treasury's progress both in achieving the Department's strategic goals and objectives and in achieving our published performance targets. Under each of Treasury's four mission areas and relevant strategic goals, the status of our forty-four Strategic Objectives (as presented in the Department's FY 2000 – FY 2005 Strategic Plan) is discussed. Each discussion includes:

- Key Trends to highlight trends in the environment Treasury's efforts are trying to impact.
- Treasury Programs to specify the Treasury offices, bureaus, and programs that work to accomplish the objective.
- FY 2000 Key Accomplishments and Performance Results to present significant key efforts during the past fiscal year towards achieving the objective. This section includes bureau performance goals and measures related to the objective (presented in chart form), with planned targets and actual results. Each measure also includes a definition of that measure, and an explanation of any shortfall, including planned improvements during FY 2001.

Performance Summary tables are included for each mission area, strategic goal, and strategic objective. These tables show the number of measures for that section that "Met or Exceeded Target," were "Not Met," or were "Other" (including measures that were of qualitative nature, baselines had been set during FY 2000, or data was not available to report). The tables also include a tally of measures that were of "Maximum or Improved Performance" ("Maximum" meaning that performance could not be exceeded [e.g., already at 100%]; "Improved" meaning that FY 2000 performance was greater than FY 1999 performance).

It should be noted that some objectives do not have associated performance measures at the bureau level and include only narrative explanations of efforts to achieve the objective.

Management Challenges and High-Risk Areas. Management challenges and high-risk areas recently identified by the General Accounting Office and Treasury's Inspectors General are presented in Appendix A. This table identifies each issue and describes efforts during FY 2000 to address the issue.

Program Evaluations. Program evaluations performed during FY 2000 are presented in Appendix C.

Data Accuracy. Unless otherwise noted, the data presented for the bureau performance measures have been reported by Treasury's bureaus and offices to be sufficiently accurate for program management and performance reporting purposes.

Relationship to FY 2001 Performance Plan. Bureaus determined the performance measures and targets for their final FY 2001 performance plan in light of the progress made in FY 2000. In some cases, measures have been reworded to clarify their intent; in other cases, measures have been added or deleted to better assess progress against strategic objectives.

COMMENTS***We welcome your feedback***

*Comments or questions regarding this FY 2000 Program Performance Report should be referred to the **Office of Strategic Planning and Evaluation** at the Department of the Treasury.*

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